

Message Text

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SUBJECT: COMMERCE ANTI-RECESSION EXPORT CAMPAIGN: CONSUMER GOODS

REF: A-2778, APRIL 21, 1975

2. HELSINKI 1127, MAY 23, 1975

3. HELSINKI A-105, JUNE 4, 1975

1. AN ANALYSIS OF THE IMPORT POTENTIAL IN FINLAND FOR THE CONSUMER GOODS RECESSION-HIT INDUSTRIES LISTED IN REFERENCE 1 IS PROVIDED IN TABLE FORM AT THE END OF THIS MESSAGE.

2. THIS ANALYSIS SHOWS THAT THE GREATEST POTENTIAL IN THE LISTED CONSUMER INDUSTRIES IS FOR TEXTILES AND CLOTHING (1973 U.S. MARKET SHARE 2 PERCENT) AND FOR CUTLERY, HANDTOOLS AND HARDWARE (1973 U.S. MARKET SHARE 4 PERCENT). PRODUCT CATEGORIES WITH THE BEST PROSPECTS WITHIN TEXTILES AND CLOTHING IN RANK ORDER INCLUDE: WOVEN FABRICS - MAN-MADE FIBER, DISCONTINUOUS OR WASTE - (BTN 56.07); CORD, TARPAULIN AND OTHER SIMILAR WOVEN COTTON FABRICS (BTN 55.09); WOVEN PILE FABRICS AND CHENILLE (BTN 58.04); LEATHER GLOVES, APPAREL AND BELTS (BTN 42.03); AND WOVEN FABRICS OF MAN-MADE FIBERS (BTN 51.04).

3. WITHIN THE RECESSION-HIT INDUSTRY CUTLERY, HANDTOOLS AND HARDWARE, THE FOLLOWING PRODUCT CATEGORIES HAVE THE BEST IMPORT POSSIBILITIES IN RANK ORDER: FURNITURE AND UNCLASSIFIED

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HOUSING FITTINGS AND DOOR CLOSERS (BTN 83.02); HAND

TOOLS, PLIERS, WRENCHES AND FILES (BTN 82.03); TOOL INSERTS, E.G. DRILLS, TAPS, LATHE PARTS (BTN 82.05); OTHER HAND TOOLS, INCLUDING HAMMERS AND SCREWDRIVERS (BTN 82.04); NAILS, STUDS AND TACKS (BTN 73.31); SAWS, INCLUDING CHAIN SAWS (BTN 82.02); BOLTS AND NUTS (BTN 73.32).

4. A SECOND GROUP OF (RECESSION-HIT) CONSUMER GOODS INDUSTRIES FOR WHICH THERE IS SUBSTANTIAL POTENTIAL FOR SALES TO FINLAND RANGES FROM HOUSEHOLD REFRIGERATORS AND FREEZERS WITH 1973 IMPORTS OF 67 MILLION FINNMARKS AND A 42 MILLION FINNMARK INCREASE BETWEEN 1973 AND 1970, TO OPTICAL AND OPHTHALMIC PRODUCTS WHICH REGISTERED 1973 IMPORTS OF 26 MILLION FINNMARKS WITH A 1970 TO 1973 RISE OF 13 MILLION FINNMARKS. OTHER PRODUCTS IN THIS GROUPS INCLUDED ELECTRIC HOUSEWARES AND FANS, HOUSEHOLD LAUNDRY EQUIPMENT AND WATCHES.

5. FOR THE PRODUCTS OF A THIRD GROUP OF RECESSION-HIT U.S. INDUSTRIES THERE WAS A SUBSTANTIAL POTENTIAL MARKET IN FINLAND AS REFLECTED IN BOTH THE SIZE OF IMPORTS IN 1973 AND THE INCREASE IN THE PERIOD 1970-73. HOWEVER, SUCCESSFUL ENTRY INTO THE MARKET FOR THESE PRODUCTS COULD BE EXPECTED TO BE DIFFICULT SINCE FINLAND WAS A NET EXPORTER IN THESE INDUSTRIAL CATEGORIES.

6. WHILE IMPORTS OF MEN'S AND BOYS' CLOTHING ROSE BY 30 MILLION FINNMARKS IN THE 1970-73 PERIOD TO REACH 62 MILLION IN 1973, FINNISH EXPORTS OF THESE PRODUCTS REACHED THE SIZEABLE TOTAL OF 285 MILLION FINNMARKS FOR 1973. A SIMILAR SITUATION OBTAINED FOR WOMEN AND MISSES' CLOTHING. A RISE FOR THE 1970-73 PERIOD OF 12 MILLION SET IMPORTS AT 59 MILLION FINNMARKS IN 1973, BUT EXPORTS OF THESE FINNISH PRODUCTS IN THAT YEAR WERE 318 MILLION FINNMARKS.

7. THE MARKETING SITUATION IN FINLAND FOR OFFICE AND HOUSEHOLD FURNITURE WAS EQUALLY COMPETITIVE AS EXPORTS ROSE BY A GREATER AMOUNT THAN IMPORTS IN THE 1970-73 PERIOD. THIS, WHILE OFFICE FURNITURE POSTED AN INCREASE UNCLASSIFIED

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OF 22 MILLION FINNMARKS OVER THE TIME SPAN 1970-73 TO REACH 47 MILLION FINNMARKS, EXPORTS IN A COMPARABLE PERIOD ROSE BY 61 MILLION FINNMARKS TO AN EXPORT LEVEL OF 137 MILLION IN 1973. HOUSEHOLD FURNITURE SCORED THE SAME GENERAL AMOUNTS AND TREND. TOYS, SPORTING AND ATHLETIC GOODS REPRESENTED OTHER INDUSTRIES WHERE THERE WERE SUBSTANTIAL EXPORTS AND MARKETING IN FINLAND WOULD FACE SEVERE COMPETITION.

8. THERE SEEMS LITTLE POSSIBILITY FOR SUBSTANTIAL PENETRATION OF THE FINNISH MARKET FOR JEWELRY AND SILVERWARE, COSTUME JEWELRY OR CHILDREN'S WEAR DUE EITHER TO THE SMALL SIZE OF THE MARKET AND SLOW GROWTH OF IMPORTS OR THE SIZABLE BIAS TOWARDS EXPORTS. A POSSIBLE EXCEPTION IS HOUSEHOLD SMALLLL APPLIANCES SUCH AS TABLE AND KITCHEN UTENSILS, COFFEE MILLS, MINCERS AND JUICE EXTRACTORS, COFFEE PERCOLATORS, AND SCALES, WHERE IMPORTS AMOUNTED TO ONLY 11 MILLION IN 1973, BUT THE U.S. HAD A 5 PERCENT SHARE OF THE MARKET.

9. THE PRODUCTS CITED ABOVE COULD BE PROMOTED IN A U.S. EXHIBIT AT AN APPROPRIATE FINNISH TRADE FAIR--SEE LIST FORWARDED THE DEPARTMENT IN HELSINKI A-105, JUNE 4, 1975. TEXTILE PRODUCTS MIGHT BE EXHIBITED AT ONE OF THE FINNISH NATIONAL FASHION FAIRS; A TRADE MISSION WOULD ALSO BE AN APPROPRIATE VEHICLE FOR PROMOTION.

10. IMPORTS IMPORTS INCR.1973 EXPORTS

CATEGORY	1970	1973	OVER 1970	1973
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TEXTILES AND

CLOTHING	212	438	226	167
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CUTLERY, HANDTOOLS

AND HARDWARE	126	192	66	56
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HOUSEHOLD REFRIGERATORS

AND FREEZERS	25	67	42	26.9
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MEN'S AND BOYS'

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CLOTHING	32	62	30	285
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OFFICE FURNITURE	25	47	22	137
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HOUSEHOLD FURNITURE	24	46	22	135
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TOYS, SPORT AND

ATHLETIC GOODS	36	54	18	50
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ELECTRIC HOUSEWARES

AND FANS	25	44	19	1
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WOMEN'S AND MISSES'

CLOTHING	47	59	12	318
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HOUSEHOLD LAUNDRY

EQUIPMENT	21	39	18	9.8
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WATCHES	31	44	13	0.6
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OPTICAL AND OPHTHALMIC

GOODS	13	26	13	0.3
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HOUSEHOLD SMALL

APPLIANCES	5	11	6	4
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JEWELRY, SILVERWARE	6	11	5	25
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COSTUME JEWELRY	3	3	-	4.6
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CHILDREN'S WEAR	1	0	1	10
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TOTALS IN MILLIONS OF FINNMARKS. APPROXIMATE RATE
3.5 FINNMARKS EQUALS \$1.00.

11. WITH A COUPLE OF EXCEPTIONS ALL THE CONSUMER GOODS
COVERED IN THIS ANALYSIS REQUIRE A DEPOSIT OF 30 PERCENT
UNDER THE IMPORT SCHEME ADOPTED IN MARCH OF THIS
YEAR. THE CLASSIFICATION "MAN-MADE FIBERS", BTN 56.07,
ENJOYS A 10 PERCENT DEPOSIT RATE. THE IMPORT DEPOSIT
SCHEME, HOWEVER, SHOULD NOT BE A MAJOR FACTOR AFFECTING
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U.S. FIRMS' ENTRY INTO THE FINNISH MARKET
IF THEY ARE COMPETITIVE WITH FOREIGN FIRMS THAT HAVE SUCCESSFULLY
PENETRATED THE FINNISH MARKET.
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